

HOW CSR DRIVES COMPETITIVE PERFORMANCE: A MEDIATION-MODERATION ANALYSIS OF CUSTOMER SATISFACTION AND INFORMATION QUALITY

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ABSTRACT

The objective of this study is to evaluate the determination of corporate social responsibility (CSR) on firm competitive performance (FCP) via the mediating role of customer satisfaction (CST) and moderating role of CSR information quality (CIQ). The role of CSR information quality on strengthening CSR-CST relationship is also studied in this research. Furthermore, it has followed a structured questionnaire to collect data of 237 FMCG companies of top-level, middle level and lower management. A two-stage SEM technique was used for the data analysis. Measurement Model, to evaluate the reliability and validity of the instrument; and Structural Model, to evaluate the strength of the relationships between the underpinning variables. The main discovery of this study confirmed that CSR positively and significantly affects CST. Furthermore, the findings show that CST play an important mediating role between CSR and FCP. In addition, the results revealed that CSR information quality (CIQ) moderated the relationship between CSR and CST, enhancing the total effect. Through this study, therefore, the author makes a substantial contribution to the literature in general and the FMCG insecurity literature in Pakistan by providing a better understanding of how industries can harness CSR for the purposes of strategic financial and social goals and objectives, sustainable competitive advantage.

Keywords: - Corporate Social Responsibility, Firm Competitive Performance, Customer Satisfaction, and CSR Information Quality.

1. INTRODUCTION

It is inevitable that the Corporate Social Responsibility (CSR) has turned out to be one of the most important drivers of firm success in the contemporary business world. Data from the Global Sustainability Study 2021 shows that 85% of consumers globally are now more likely to consider sustainable brands when making purchases (Al-Alawi et al., 2023), revealing the extent to which CSR initiatives increasingly guide how consumers engage with companies. In a similar vein, 76% of business executives reported that populating CSR practices bolsters their brand reputation and consumer trust. In particular, the field of fast-moving consumer goods (FMCG) is one of the most notable sectors in which CSR plays a crucial role, whereby evidence has shown that an FMCG company with CSR focus can result in an up to 20% increased customer retention rate compared to its competitors (Mohammadi et al., 2023). However, despite such positive trends, companies find it

difficult to efficiently translate CSR initiatives into competitive advantage, which calls for examining the mechanisms by which CSR affects corporate performance (Kaimal & Uzma, 2024).

Moreover, a significant challenge in this area is elucidating how CSR practices enhance customer satisfaction (CST), acting as a driver for a firm's competitive performance (FCP). Several organizations adopt CSR activities but do not clearly comprehend how these initiatives can contribute to building customer trust, loyalty, and satisfaction (Fatma & Chouaibi, 2023). Further, the extent to which the information is transparent, accurate, and trustworthy, also referred to as CSR Information Quality (CIQ), has an immense impact on how consumers perceive the authenticity of CSR efforts. Without quality CSR information, customers may be skeptical regarding the companies' social responsibility, and thus CSR lacks competitiveness towards the firm. A crucial research problem is the gap in understanding this (Waheed & Zhang, 2022). The role of CSR in competitive performance through customer satisfaction, and the moderating effect of CSR information quality

Therefore, a few studies examined CSR and firm performance out there, but few studies had focused on the interceding and moderating effects in studying this relationship. Khanra et al. (2022) also discovered that CSR positively impacts firm performance, but their research did not include customer satisfaction as a mediator. In the same vein, the research emphasized CSR communication, but their study did not consider yet the effects of the quality of CSR information on consumer's trust and firm's competitiveness (Tarigan et al., 2021). In research by (Albared et al., 2013) that was run through the lens of corporate social creativity it was found that transparent CSR reporting results in stronger brand loyalty, however their study was not cross-channelled to their financial or competitive outcome. Although previous studies highlight the importance of CSR, empirical studies on the mediating effect of customer satisfaction in the CSR-FCP relationship and the moderating role of CSR information quality on this mechanism are rare (Kuo et al., 2023; Zhang et al., 2023). This study fills these gaps by exploring these interrelationships holistically.

Hence, this research has considerable theoretical and practical relevance. Theoretically, it contributes to CSR and competitive performance literature by investigating customer satisfaction as a mediator and CSR information quality as a moderator to construct a more comprehensive view of the associations between the variables. The findings can practically help firms in tailoring strategic CSR initiatives which can not only elevate customer satisfaction but also augment competitive positioning. This research will inform the organizations about enhancing transparency and communication, leading to higher consumer trust and sustainable growth by emphasizing role of CSR information quality. This study, therefore, helps in reducing the academic gap in understanding the effectiveness of CSR and offers empirical insights to business practitioners who want to utilize CSR to gain sustained competitive advantage.

The body's organization as subsequent; the beginning section alongside review and motive of this exploration study part of the subsequent section investigation of the past writing and its execution, gives information for this exploration. Section 2 provides the theoretical background, literature review, and hypothesis development that supports the understanding of how CSR affects corporate financial performance, customer advocacy, corporate reputation, and the moderating effect of CSR information quality. Section 3 describes the research methodology, including the design of the study, data collection procedures, variables measurement, and statistical techniques used for hypothesis testing. In Section 4, we provide our study results and findings, and we analyze them considering relevant theoretical perspectives, and we assess relationships between our key variables. Finally, Section 5 concludes with an analysis and discussion of findings, highlighting

theoretical and practical implications, limitations of the study, and directions for future research, focusing on gap(s) within the underexplored field between CSR and firm competitive performance.

2. LITERATURE REVIEW

2.1. Theoretical Background

The lens on which this research is developed is drawn from Stakeholder Theory, which calls for executing corporate social responsibility beyond maximizing shareholder wealth to embrace customers, employees and society (Fatma & Chouaibi, 2023). Corporate Social Responsibility (CSR) is paramount in increasing firm competitive performance (FCP), through the establishment of resilient relationships between the stakeholder and brand (Dmytriiev et al., 2021). CSR initiatives lead to customer satisfaction (CST) through strategically positive influence on consumer trust, loyalty and perceived value, thereby leading to firm competitiveness (Luo & Bhattacharya, 2006). Nevertheless, the role of CSR in shaping CST and FCP mainly determines the values of such CSR influence based on the quality of CSR information (CIQ) provided by firms as consumers often perceive accurate and transparent information as a reliable and genuine CSR communication (Ferdous & Moyeen, 2022). While there has been a large number of studies conducted in relation to CSR and firm performance, little attention has been paid to examine the mediating role of CST and moderating role of CIQ so far, which calls for further empirical investigation of such interrelationships (Kaimal & Uzma, 2024).

2.2. Predictor of Customer Satisfaction (CST).

With the emergence of Corporate Social Responsibility (CSR) as a key aspect for organizations, it has more or less turned into a part of the marketing mix to improve customer satisfaction in most sectors especially the fast-moving consumer goods (FMCG) sector. Corporate Social Responsibility (CSR) refers to a business's attempt to evaluate and take responsibility for its effects on environmental and social well-being; The term often applies to efforts by corporate, umbrella, and individual companies to conduct business in a way that is ethical and takes all stakeholders into account including the consumer and the environment; CSR tends to go above and beyond compliance and engages in actions that appear to further some social good. CSR as a key competitive differentiator: In highly competitive sectors such as fast-paced consumer goods (FMCG), with easily comparable products, CSR initiatives can correlate with consumer perceptions and behaviors more broadly (Kuo et al., 2023). Furthermore, empirical research has shown a positive relationship between CSR activities and customer satisfaction within the FMCG industry. For example, a study on CSR practices in food chains of Pakistan showed how awareness of customers regarding CSR initiatives plays a positive role in increasing customer satisfaction. This effect is mediated by corporate reputation, implying that CSR endeavors improve the company's prestige and, consequently, enhance customer loyalty and satisfaction (Ferdous & Moyeen, 2022). Similarly, CSR initiatives also positively affect perceived quality and brand trust among FMCG consumers as evidenced in the study done on Kathmandu Valley. According to (Dakhli, 2022) consumers are more likely to consider CSR engaged companies to be credible and reliable, thus making them more satisfied and loyal. However, even with a positive relationship, some challenges may moderate the effectiveness of CSR efforts. The impact of economic CSR activities on consumer satisfaction is positively significant, while others' social and environmental CSR dimensions added to the complexity of the relationship. In fact, when customers believe a company is not sincere about its CSR actions or only interested in profit, it can cause skepticism, reducing consumer satisfaction and

loyalty (Mohammadi et al., 2023). Consumer satisfaction would directly be affected by CSR activities in short-run, by establishing corporate image followed by trust and perceived quality in FMCG industry. Nonetheless, all of such initiatives should be effective, which further rely on its authenticity and the firm's capability to convey it (Ahmad et al., 2024). Accordingly, the following hypothesis was developed based on the above discussion:

H₁: CSR) significantly influence the CST.

2.3. Mediating role of Customer Satisfaction (CST).

CSR has received increased attention for its potential to improve firm competitive performance. Further research indicates that the relationship is more nuanced, and may be influenced by a variety of mediating variables, including customer satisfaction. This research empirically investigates the mediating role of customer satisfaction in the CSR-competitive performance relationship (Islam et al., 2021). Also, CSR activities will have a positive impact on your financial status as they will help creating customer loyalty and improve corporate reputation. However, the direct relationship between CSR and firm performance has provided inconsistencies that suggest the existence of mediators (Mahmood & Haider, 2020). Hence, customer satisfaction acts as an important mediator in CSR-performance link. This means that CSR measures addressing valued customer and societal benefits alleviate customer satisfaction that eventually result in the financial performance of the firm. This is supported by research conducted by Galbreath and Shum in 2012, which concluded that CSR has a positive result on both reputation and customer satisfaction, but only reputation acts as a mediator of the CSR-financial performance relationship (Shahzad et al., 2021). In addition, empirical studies also showed that CSR initiatives affect competitive advantage positively while customer satisfaction and corporate reputation act as full mediators in this relationship. Challenging previous literature, this study in Saudi Arabia found a cascade of mediation through customer satisfaction and customer loyalty where CSR orientation impacts firm performance (Salam et al., 2022). This body of literature highlights that the relationship between CSR and firm competitive performance has not been direct, but has been mediated to a large extent by customer satisfaction. Higher customer satisfaction, gained through CSR, contributes to greater competitive performance (Fatma & Khan, 2023). Therefore, based on the literature review and theoretical framework, the following research hypotheses are proposed:

H₂: The relationship between CSR and FCP is significantly mediated by the CST.

2.4. Moderating Role of CSR Information Quality (CIQ): -

Various studies have conducted on CSR in Pakistan to understand its impact on firm competitive performance. However, the moderating role of CSR information quality in this relationship is underexplored. This literature review analyzes existing research to explore how the quality of CSR information affects the CSR-competitive performance relationship (Fatma & Chouaibi, 2023). Additionally, CSR can increase a firm's competitive performance by building customer loyalty, enhancing brand image, and setting apart products or services in the marketplace. However, the role of CSR activities in promoting competitive advantage is nuanced by a number of factors, including stakeholder perception and interpretation of these initiatives (Naqvi et al., 2021). Therefore, information quality of CSR including, accuracy, transparency, and completeness, is critical to stakeholders' perception and, as a result, the influence of CSR on firm performance. There is a multiplier effect as high-quality CSR disclosures can lead to improved trust and credibility that can

amplify the benefits of CSR initiatives. In contrast, low-quality disclosures may cause distrust and undermine the positive impact of CSR endeavors (Bokhari et al., 2023). Although direct studies that test the moderating role of the quality of CSR information are limited, related empirical studies have examined the effects of information dissemination on the CSR-performance link. As an example, one study by Javed et al. These include a finding by (2020) who highlighted that responsible leadership moderates the effects of CSR on corporate reputation and financial performance, implying that the integrity of leadership impacts the extent to which CSR activities lead to competitive advantage (Sadaa et al., 2023). Moreover, perception of CSR affects positively organization's performance and this relation might be moderated by knowledge management practices within firm, so managing and communicating CSR-related knowledge within firm can be important (Bokhari et al., 2023). This is because the existing literature suggests that despite CSR initiatives having the capability of improving firm competitive performance, stakeholder-oriented CSR information quality likely serves as a moderator of this relationship (Boulhaga et al., 2023). Hence, with respect to said discussion the below hypothesis is proposed:

H₃: The relationship between CSR and CST significantly moderate CIQ

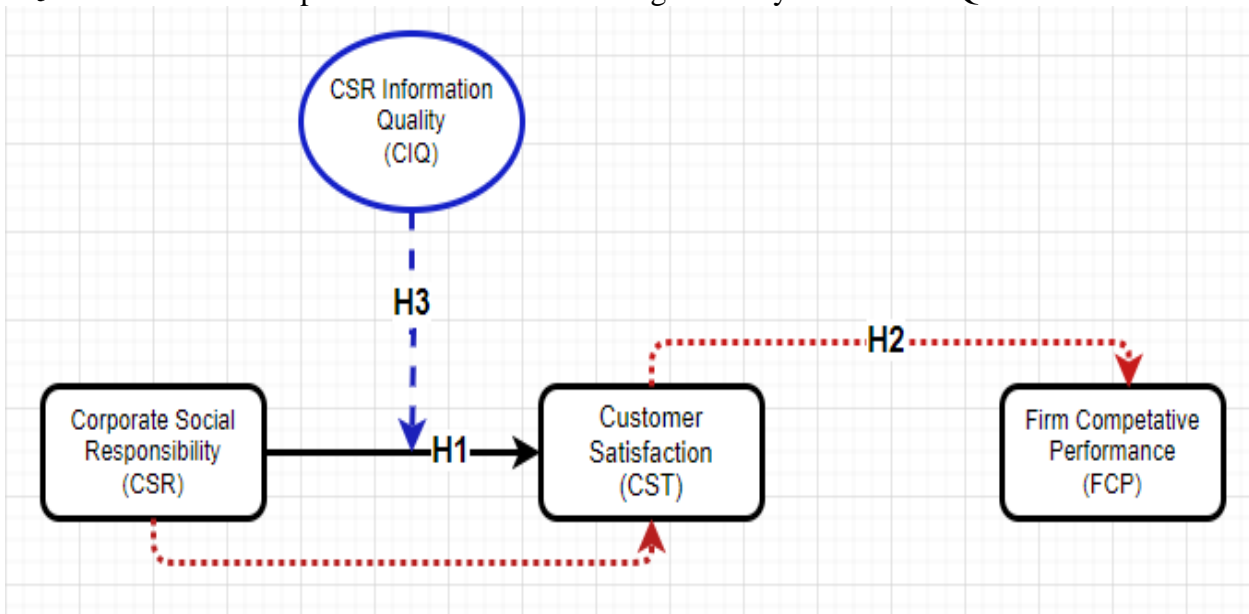


Figure-1: Conceptual Framework

3. RESEARCH METHODOLOGY: -

Data were collected using a structured questionnaire consisting of four key constructs: corporate social responsibility (CSR) (independent variable), firm competitive performance (dependent variable), customer satisfaction (mediating variable), and CSR information quality (moderating variable). Data were collected from 327 customers of fast-moving consumer goods (FMCG) companies and divided into three meaningful groups: top-level management, middle-level management, and lower-level management. A stratified sampling technique was used to obtain a

representative sample. In order to evaluate the obtained data, a two-stage SEM approach was employed using the PLS-SEM software.

The measurement model was evaluated in the first stage communication through factor loadings to assess indicator reliability (Oke et al., 2022; Hair Jr et al., 2021), where indicator reliability was confirmed when cross-loading values were larger than a threshold value of 0.70. Cronbach's alpha and composite reliability were used to establish internal consistency reliability and results were above 0.70, the recommended threshold (Lai, 2021; Kline, 2016; Oke et al., 2022). The AVE was employed to present evidence of convergent validity, with the recommendation of a minimum AVE threshold of 0.50 (Hair Jr et al., 2021; Shafie et al., 2021). To assess discriminant validity, the Heterotrait-Monotrait (HTMT) ratio was analyzed, maintaining values below the 0.85 criterion (Oke et al., 2022; Kumar et al., 2021; Roemer et al., 2021). To check multicollinearity, variance inflation factors (VIF) were also calculated, with all findings remaining within satisfactory thresholds (Ahmed & Ishtiaq, 2021; Joseph F. Hair, 2019). After establishing the reliability and validity, the structural model was taken into consideration starting from the coefficients of determination (R^2) to measure the predictive ability of the model. Finally, the relationships between the underlying variables were evaluated as a function of the p and t values with a 10% level of significance to assess statistical significance. For hypothesis testing, t-values and p-values were used, with t-value ≥ 1.645 and p-value ≤ 0.10 indicating statistical significance at the 10% level (Hair et al., 2019). The path coefficients were evaluated to determine their significance using bootstrapping of 5,000 resamples (Hair et al., 2017), thus ensuring robustness of the results. These techniques have made sure the study findings were statistically strong, reliable, and hypothesis testing and model evaluation was valid.

4. RESULTS: -

4.1.Measurement Model: -

In this study, the condition of indicator reliability was satisfied because the values of factor loading are greater than the threshold value of 0.7 (see Table-I). Meaning that, in accordance to Oke et al. (2022), Hair Jr et al. (2021) and Hair et al. (2014), the data collection instrument was representative of its dimensions, with the observed variables measuring what were supposed to measure. In addition, internal consistency reliability was also met because the values for Cronbach's Alpha and Composite Reliability for all constructs (CSR, CFP, CST, and CIQ) exceeded Rajagopal's threshold of 0.7. Hence, it validates the degree to which the measurement instrument is consistent in its responses across the items representing each of the constructs (Lai, 2021; Kline, 2016; Oke et al., 2020; Hair Jr et al., 2021). Likewise, the results in Table-I show the AVE values of all underpinning variables (CSR, CFP, CST and CIQ) to be greater than 0.5. As a result, a finding that indicates compliance with the requirement of convergent validity had been satisfied because it shows that the constructs were able to exortain the variance of its corresponding indicators (Hair Jr et al., 2021; Shafie et al., 2021; Iqbal & Rao, 2022). Discriminant validity was assessed based on the Heterotrait-Monotrait (HTMT) ratio (Table-II). As recommended by Raja, this study confirms that the values for all the underpinning constructs [CSR, CFP, CST, and CIQ] are below the value 0.85, thus establishing discriminant validity. This reflects the idea that each of the constructs is captured separately from the other constructs represented in the model (Oke et al., 2022; Kumar et al., 2021; Roemer et al., 2021; Joseph F. Hair et al., 2019; Iqbal & Rao, 2022). The multicollinearity problem within this study was examined through the variance inflation factor (VIF), which is reported in

Table I, where the mean VIF of the items of the underlying constructs was less than the threshold of 3.30, as suggested by Iqbal and Rao (2022), Ahmed and Ishtiaq (2021), and Joseph F. Hair (2019).

Tale-I: Reliability and Validity				
Item Code & Descriptions	Factor Loading	VIF	Source	
Customer Satisfaction (Cronbach's Alpha = 0.957, CR = 0.964, AVE = 0.794)				
CST-1:	0.870	3.17	Le, 2023	
CST-2:	0.892	3.96		
CST-3:	0.894	3.97		
CST-4:	0.913	4.74		
CST-5:	0.869	3.31		
CST-6:	0.905	4.28		
CST-7:	0.892	3.83		
Corporate Social Responsibility (Cronbach's Alpha = 0.924, CR = 0.939, AVE = 0.689)				
CSR-1:	0.862	3.62	Galant & Cadez, 2017	
CSR-2:	0.857	3.90		
CSR-3:	0.853	3.97		
CSR-4:	0.709	1.56		
Firm Competitive Performance (Cronbach's Alpha = 0.819, CR = 0.870, AVE = 0.530)				
FCP-1:	0.599	1.32	Galant & Cadez, 2017	
FCP-2:	0.816	1.92		
FCP-3:	0.706	1.59		
FCP-4:	0.771	2.05		
FCP-5:	0.819	2.30		
FCP-6:	0.625	1.47		
Quality of Information About CSR (Cronbach's Alpha = 0.885, CR = 0.921, AVE = 0.745)				
CIQ-1:	0.781	1.65	(Hąbek & Wolniak, 2016)	
CIQ-2:	0.896	3.63		
CIQ-3:	0.928	4.97		
CIQ-4:	0.841	2.54		

Table-II: HTMT Ratio: -				
Constructs	(1)	(2)	(3)	(4)
(1) Firm Competitive Performance				
(2) Customer Satisfaction	0.645			
(3) Corporate Social Responsibility	0.642	0.569		
(4) CSR Information Quality	0.325	0.360	0.273	

4.2. Structural Model: -

The Coefficient of Determination (R^2) which indicate the predictive power of the model is then illustrated with Table-III. The findings revealed a significant and moderate level ($R^2 = 0.289$) of explanatory power of corporate social responsibility (CSR) to customer satisfaction (CST) in this investigation (Ellahi et al., 2023; Malik & Singh, 2022).

This means that we accept H_1 , implying that corporate social responsibility (CSR) has a positive and significant impact on customer satisfaction (CST) in fast-moving consumer goods (FMCG) firms of Pakistan. This path analysis shows that this relationship is significant ($p < 0.000$), given that its t-value remains higher than 1.96 ($\beta = 0.456$; $t = 11.85$, $p < 0.000$). These findings imply that FMCG companies behaving more socially responsible have more satisfied customers, indicating that because of socially responsible behaviors, there is a positive perception in minds of consumers which increased loyalty to such companies. Therefore, hypothesis (H_1) was accepted which was also proved in the literature and validated (Kaimal & Uzma, 2024; Al-Alawi et al., 2023;) Mohammadi et al., 2023).

The findings support the acceptance of H_2 , as customer satisfaction (CST) positively and significantly mediates the association between corporate social responsibility (CSR) and financial competitive performance (FCP) for fast-moving consumer goods (FMCG) companies in Pakistan. In this vein, the path analysis results indicate that this mediation effect is statistically significant at the 10% significance level, as t-values exceeded the 1.96 standard threshold ($\beta = 0.062$; $t = 3.937$; $p < 0.000$). This indicates that CSR initiatives directly contribute to improved financial performance and indirectly through increased consumer satisfaction, suggesting that businesses focusing on socially responsible behavior can have a good performance financially by enhancing consumer trust and loyalty in this way. Existing studies (Le, 2023; Fatma & Khan, 2023; Shahzad et al., 2021) further endorse the implications of (H_2).

In addition, H_3 is then accepted, the results substantiate that Consumer Investment Quality (CIQ) has a positive significant moderating role between Corporate Social Responsibility (CSR) and Customer Satisfaction (CST) in consumer fast-moving goods (FMCG) organizations of Pakistan. The mediating effect is significant at the 10% level with the t-value exceeding the 1.96 threshold ($\beta = 0.075$; $t = 2.229$; $p < 0.000$). This means that the effect of CSR on customer satisfaction becomes stronger when consumer investment quality is high, namely, when consumers treat investments with high quality, they treat CSR better and respond positively to it to generate overall satisfaction. So, (H_3) was congruent with prior findings (Behl & Dutta, 2020; Naqvi et al., 2021; Boulhaga et al., 2023).

Table-III: Coefficient of Determination (R^2): -

Constructs: -	R Square	R Square Adjusted
Firm Competitive Performance	0.293	0.289

Table-IV: Hypothesis Testing Results (Bootstrapping @5000subsamples): -

Hypothesis:	Coefficient (β)	SD	T-Stat	P-Values	Decision
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Direct Effects: -

H1: Corporate Social Responsibility → Customer Satisfaction	0.456	0.038	11.85	0.000***	Accepted
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Mediating Effects: -

H4: Corporate Social Responsibility → Customer Satisfaction → Firm Competitive Performance	0.062	0.016	3.937	0.000***	Accepted
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Moderating Effects: -

H5: Moderating Effect 1 → Customer Satisfaction	0.075	0.026	2.929	0.003***	Accepted
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Note: ***, **, * Denotes significance Level @1%, 5% and 10%

5. DISCUSSION: -

Customers are increasingly seeking ethical and socially responsible business practices, contributing to CSR's positive and significant effect on CST. By making an active commitment to corporate social responsibility (CSR) through initiatives such as environmental sustainability, ethical labor practices, and community outreach that increase a brand's reputation and create consumer loyalty. From the customers' perspective, these endeavors represent a manifestation of the corporation's commitment to the well-being of society, which ultimately strengthens their emotional attachment and loyalty to the brand (Kuo et al., 2023). Moreover, businesses engaged in social responsibility tend to produce better products and services. With the growing awareness of corporate ethics among Pakistani consumers, CSR initiatives stand as a very vital differentiating factor in Pakistan for fast-moving consumer goods (FMCG) companies. This may help ensure that customers perceive their interactions with companies as positive, thus fulfilling societal expectations while also increasing overall satisfaction (Mohammadi et al., 2023).

Additionally, CST serves as a crucial bridge between CSR and FCP, acting as a mediator that facilitates the translation of socially responsible initiatives into measurable business benefits. Companies' active CSR enhances their reputation and builds stronger relationships with consumers that foster trust and brand loyalty (Islam et al., 2021). When customers are satisfied, they are more inclined to repurchase and advocate your brand to others, as well as demonstrate a higher willingness to pay, thus resulting in better financial health. Moreover, CSR activities can create favorable customer perceptions, enabling a firm to distinguish itself from competitors which can help secure a strong position in the market with sustainable impacts in the long run (Mahmood & Haider, 2020). It is known that CSR has a direct impact on customer satisfaction and given the fast-moving consumer goods (FMCG) sector in Pakistan where an ever-changing customer outlook towards the market is being expected incorporates with ethical segment (Fatma et al., 2021), the ethical orientation entails value-based relationships between customers, communities and businesses (Fatma & Khan, 2023).

Conversely, if CSR information is vague, misleading, or inconsistent, it can weaken the positive impact of CSR on customer satisfaction, as consumers may perceive it as insincere or mere corporate rhetoric (Bokhari et al., 2023). In the context of fast-moving consumer goods (FMCG) companies in Pakistan, where consumer awareness of corporate ethics is growing, clear and well-communicated CSR initiatives can significantly enhance customer satisfaction by reinforcing positive brand perceptions and strengthening consumer trust (Naqvi et al., 2021). Finally, the main effect of CSR on CST is moderated by CSR information quality (CIQ), a firm's CIQ can influence consumers' perceptions and responses to a firm's CSR behaviors, and thus to make CSR markedly improve CST. As such, when companies communicate about their CSR in a transparent, accurate, and consistent way, consumers are more likely to trust and appreciate CSR efforts and this could lead to satisfaction (Sadaa et al., 2023). Quality CSR information decreases skepticism, increases credibility, and makes sure that consumers have a complete understanding of the company's dedication to social and environmental responsibility.

5.1.Theoretical Implications: -

That firmly highlights how CSR mediates the relationship between different stakeholders, making this finding relevant for the theoretical advancement of stakeholder theory. According to stakeholder theory, companies must not focus solely on profit maximization but also on the socio-economic welfare of all their stakeholders, including consumers, employees, and the community

(Kuo et al., 2023). This is consistent with the findings of this research which show that CSR activities have a strong positive impact on CST and thus FCP. Firms that embrace socially responsible practices can improve their relationship with customers, cultivate brand loyalty, and, most importantly, are likely to achieve a competitive advantage (Tarigan et al., 2021). Following this line of reasoning, this research offers an impressive contribution to the literature on stakeholder theory by confirming empirically that CSR involved firms do not just meet their ethical and social responsibilities but also provide some strategic value that benefits both the firm and its stakeholders (Waheed & Zhang, 2022).

This study adds to the existing body of research by explaining the moderating impact of the quality of CSR information (CIQ) on the positive relationship between CSR and CST, stressing the impact of transparent, trustworthy CSR communication. From a stakeholder theory standpoint, this result highlights that the firms have to ensure their CSR disclosures are clear, reliable, and effectively communicated to maximize their impact on customer perceptions (Khanra et al., 2022). When CSR initiatives are properly conveyed, they contribute to building consumer trust and engagement, which results in greater satisfaction and ultimately better financial performance. This demonstrates that CSR efforts are not only reliant on their implementation, but also on the effectiveness of its dissemination and communication to stakeholders (Kuo et al., 2023) which is where this study adds to the literature. Most importantly, through the incorporation of the mediating effect of customer satisfaction and moderating impact of CSR information quality, this study establishes a holistic understanding of CSR as a means for promoting competitive performance specifically in the FMCG sector whilst also providing added insight into the significance of stakeholder-centralized CSR communication for the strategy (Islam et al., 2021).

5.2. Practical Implications: -

The findings suggest that firms investing in CSR activities—such as environmental sustainability, ethical business practices, and community engagement—can positively influence customer satisfaction, which, in turn, boosts financial performance. Therefore, managers should embed CSR into their core business strategies, ensuring that these initiatives are customer-centric and align with stakeholder expectations. By fostering socially responsible business practices, companies can enhance customer trust, differentiate themselves in the market, and achieve sustainable competitive advantages. From a practical and managerial viewpoint this paper identifies the important role that corporate social responsibility (CSR) plays through customer satisfaction (CST) in influencing firm competitive performance (FCP). Accordingly, managers in the fast-moving consumer goods (FMCG) can learn from this and not only see CSR initiatives as fulfilling their ethical and social responsibilities but also rewarding strategically by strengthening customer loyalty and the brand.

In addition, the study emphasizes the role of CSR information quality (CIQ) in enhancing the relationship between CSR and customer satisfaction. For managers, this insight highlights the importance of CSR communication that pays attention to clarity, transparency and credibly to reap the full benefits in customer perceptions. Simply participating in CSR is not enough; companies need to effectively promote their actions so that consumers see them as genuine and intentional. Inconsistent or poorly conveyed CSR messages tend to raise eyebrows, reducing its positive effect on customer satisfaction. Managers need to make use of digital platforms, corporate sustainability reports, and targeted marketing campaigns to improve stakeholder engagement and trust. Firms

that implement CSR activities and, in particular, take care of communicating their CSR initiatives can achieve higher customer satisfaction, which will lead to superior performance on the competitive market in the FMCG sector.

5.3.Limitations and future avenues: -

However, even though this study offers good evidence about the relationship between corporate social responsibility (CSR) and firm competitive performance (FCP) mediated through customer satisfaction (CST) and controlled by CSR information quality (CIQ), it still has some limitations. First, the study uses primary data obtained through a structured questionnaire from employees of fast-moving consumer goods (FMCG) companies in Pakistan, which might come with potential biases associated with self-reported responses. These employees might view CSR differently from customers and the findings' generalizability to all consumers could be limited. Finally, although the study used a stratified sampling approach to include responses from top, middle, and lower management levels, strategic decision-making processes, as well as operational functions may differ across management levels, affecting their perspectives of CSR impact on firm performance. Incorporating customer perspectives and external stakeholders in future research can complement this approach and expand understanding of the role of CSR in competitive performance.

In addition, since this study focuses on the FMCG sector in Pakistan, the findings may not be applicable to other industries or geographical contexts that have different market dynamics and regulatory environments. Future studies can explore the CSR-CST-FCP association in other industries like banking, healthcare, manufacturing to test if similar mediation and moderation effects exist. Finally, longitudinal studies can further provide more reliable evidence regarding the effectiveness of CSR initiatives on firm performance instead of based on cross-sectional data. Furthermore, future studies may explore other possible contingencies such as corporate reputation, industry rivalry, or cultural influences that are likely to further refine why CSR can shape performance in different business contexts.

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